

LIMITED SOURCES JUSTIFICATION

ORDER >\$3,000

FAR PART 8.405-6(g)

2237 Transaction # or Vista Equipment Transaction #: 735-15-2-2300-0059

This acquisition is conducted under the authority of the Multiple Award Schedule Program. The material or service listed in par. 3 below is sole source, therefore, consideration of the number of contractors required by FAR Subpart 8.4 – Federal Supply Schedules, is precluded for the reasons indicated below.

Restricted to the following source: Provide original manufacturer's name for material or contractor's name for service. (If a sole source manufacturer distributes via dealers, ALSO provide dealer information.)

Service: Insurance Identification and Verification Services

Manufacturer/Contractor: Integriguard, LLC DBA HMS Federal

Manufacturer/Contractor POC & phone number: Tracy Stanesick, 402-498-2338

Mfgr/Contractor Address: 2121 North 117th Avenue, Suite 200, Omaha, NE 68164-3629

Dealer/Rep address/phone number: N/A

☒ The requested material or service represents the minimum requirements of the Government.

(1) AGENCY AND CONTRACTING ACTIVITY:

Department of Veterans Affairs (VA)

Program Contracting Office

(PCO) East Fayetteville

201 Hay Street, Suite 305

Fayetteville, NC 28301

VISN:

Central Plains Consolidated Patient

Account Center (CPCPAC)

(2) NATURE AND/OR DESCRIPTION OF ACTION BEING APPROVED:

Request a Limited Source Justification approval of a follow-on Task Order (TO) to Integriguard, LLC dba HMS Federal to provide Insurance Identification and Verification Services in support of the CPACs. This will be for a new Firm-Fixed Price bridge task order contract. Currently, the IDIQ Services are being re-competed for a long term contract for award in FY15. A new Indefinite Delivery Indefinite Quantity (IDIQ) Contract is expected to be awarded and transitioned NLT June 15, 2015. This action is to provide required services for an interim period and will allow the seven (7) CPACs to continue required services for a Six (6) month base period until the new Task Orders can be competed and awarded.

(3) (a) A DESCRIPTION OF THE SUPPLIES OR SERVICES REQUIRED TO MEET THE AGENCY'S NEED:

The CPACs are seeking reimbursement from the third party health insurers for the cost of medical care furnished to insured non-service connected (NSC) Veterans. Public Law 101-508 expanded VA's recovery program by providing authority to seek reimbursement from third party payers for the

cost of medical care provided to Veterans treated for their NSC conditions.

(b) **ESTIMATED DOLLAR VALUE:** \$251,871.00 (BASE)

(c) **REQUIRED DELIVERY DATE:** April 1, 2015 – September 30, 2015

(4) IDENTIFICATION OF THE JUSTIFICATION RATIONALE (SEE FAR 8.405-6), AND IF APPLICABLE, A DEMONSTRATION OF THE PROPOSED CONTRACTOR'S UNIQUE QUALIFICATIONS TO PROVIDE THE REQUIRED SUPPLY OR SERVICE.

☒ Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.
There is Only One Responsible Source (FAR 6.302-1). This service is highly specialized and an immediate need as any loss of support will result in delays in implementation of strategic goals and objectives. CPAC Program Management Office employees cannot accommodate the work along with their existing workload. Approval of this justification will be more cost effective for the VA than re-soliciting for a short-term contract to continue the current work, as the contract personnel has gone through time intensive background investigations and other security requirements, and substantial duplication of costs to the Government will be incurred and is not expected to be recovered through competition. This action will allow services to continue without any interruption or delays while the new IDIO Contract is awarded and the Task Orders are competed and awarded. As noted above, a need exists to begin these services under a Limited Source Justification to support the Medical Center's portion of the Operating Budget affecting staffing costs, costs to support Veterans' medical services and equipment, as well as support of Veterans' programs. Without these services, senior staff and analysts would be unable to concentrate their work effort of achieving organizational goals and objectives. Assumption of work would result in enterprise wide delays. Maximum benefit to the organization would be achieved by awarding this bridge contract. The contractor would be able to begin providing services without delay, as they are already familiar with the current process and are able to coordinate the work and obtain immediate information technology (IT) access.

☒ In accordance with FAR 8.405-6(a)(1)(i)(B) and FAR 8.405-6(b) Specific characteristics of the material or service that limit the availability to a sole source (unique features, function of the item, etc.). Describe in detail why only this suggested source can furnish the requirements to the exclusion of other sources.
Integriguard, LLC is the current contractor and its personnel have been performing these services for over six years. This follow-on provides six months of service. They have completed the necessary security requirements and have electronic systems in place to complete the work. They have gone through the mandatory security background investigation process and have the proper security credentials to access the VA CPAC computer network. These required security processes take four (4) to eight (8) weeks to complete and, at this time, they are the only company that has the required access to our systems, knowledge, skills and background for uninterrupted services. Once the IDIO is awarded, there will be time required for the new contractor to provide personnel to pass background investigations, understand the work and begin performance. This follow-on effort is necessary for continued performance. Additionally, Integriguard, LLC has performed satisfactorily or better during the previous six years.

☒ The new work is a logical follow-on to an original Federal Supply Schedule order provided that the original order was placed in accordance with the applicable Federal Supply Schedule ordering procedures. The original order must not have been previously issued under sole source or limited source procedures.

This request is for a Limited Source Justification requirement IAW FAR 8.405-6(a)(1)(i)(c). The continuation of services is a logical follow-on to the existing services awarded under the previous FSS Task Order (TO) under Contract GS-23F-0150R. The original TO was competitively awarded in accordance with applicable FSS procedures and was not awarded on a sole source or limited source basis.

(5) DESCRIBE WHY YOU BELIEVE THE ORDER REPRESENTS THE BEST VALUE CONSISTENT WITH FAR 8.4 TO AID THE CONTRACTING OFFICER IN MAKING THIS BEST VALUE DETERMINATION:

A cost comparison was done of the previous proposed offers received during the original BPA solicitation phase. Two (2) BPA contract holders established against GSA Schedule confirmed that pricing offered by Integriguard, LLC continues to be the best value to the Government. Integriguard submitted a breakdown of their cost reflecting the services being provided. The cost was compared against GSA Federal Supply Schedule and the Regional BPA vendors. The results reflected that Integriguard's pricing is consistent with the other contract holder's pricing and remains the same for this request. The pricing has not changed from the pricing offered in the original contract in over six (6) years. The results of the comparison among the two (2) BPA contract holders reveal the incumbent still provides the lowest price of \$14.75 per unit versus the other contract holder's pricing of \$18.30 per unit. The price for a Six (6) month follow effort will be less than the cost of procuring services as a new award. If another vendor is introduced through a competitive solicitation, an unnecessary amount of time, expense, and other VA resources will be needlessly wasted by incurring additional effort of security background investigations for the new vendor's personnel for the short time period. An extensive amount of time and resources would be extended by VA employees to train the new personnel, only to begin again as the new contract begins creating significant redundancies. The time it would take to train new staff and reach competencies to be fully successful will be in excess of ninety days. This can potentially contribute to a loss of revenue collections and can potentially be a missed opportunity to provide timely identification and verification of insurance policies in accordance with the VA policy. The contracting officer has determined that the anticipated cost to the Government will be fair and reasonable.

(6) DESCRIBE THE MARKET RESEARCH CONDUCTED AMONG SCHEDULE HOLDERS AND THE RESULTS OR A STATEMENT OF THE REASON MARKET RESEARCH WAS NOT CONDUCTED:

As described above, market research in accordance with FAR Part 10 was conducted by synopsis of the proposed acquisition, advising industry of the pending acquisition and soliciting inquiries from interested parties.

(7) ANY OTHER FACTS SUPPORTING THE JUSTIFICATION:

The Insurance Identification and Verification Services is being solicited as a performance-based, multiple-award Indefinite Delivery Indefinite Quantity (IDIQ) contract with a base and three (3) option year renewals. Individual Task Orders will be competed among the contractors receiving

award of the IDIQ contract. The Contracting Officer currently assigned to the IDIQ contract action estimates award NLT June 15, 2015. The CPACs have been advised to seek a six (6) month extension of existing services pending the establishment and transition of the new IDIQ contract and Task Orders. In accordance with FAR 8.405-6(b)(1), a need exists and following the ordering procedures would result in unacceptable delays in fulfilling the Chief Business Office (CBO) revenue collections requirements and attaining the Congressionally mandated national performance measures.

(8) A STATEMENT OF THE ACTIONS, IF ANY, THE AGENCY MAY TAKE TO REMOVE OR OVERCOME ANY BARRIERS THAT LED TO THE RESTRICTED CONSIDERATION BEFORE ANY SUBSEQUENT ACQUISITION FOR THE SUPPLIES OR SERVICES IS MADE:

Currently, an IDIQ contract is being competitively solicited out of the Denver Office, as there is sufficient competition available for these services via GSA, Federal Supply Schedule. The intentions are to establish an Indefinite Delivery Indefinite Quantity Contract, in which new Task Orders can be issued.

(9) REQUIREMENTS CERTIFICATION: I certify that the requirement outlined in this justification is a Bona Fide Need of the Department of Veterans Affairs and that the supporting data under my cognizance, which are included in the justification, are accurate and complete to the best of my knowledge. I understand that processing of this limited sources justification restricts consideration of Federal Supply Schedule contractors to fewer than the number required by FAR Subpart 8.4. *(This signature is the requestor's supervisor, fund control point official, chief of service or someone with responsibility and accountability.)*

<u>Nicole McMahon-Spahr</u>		<u>3/23/2015</u>
SIGNATURE		DATE
<u>Nicole McMahon-Spahr</u>	<u>COR</u>	<u>IIAV</u>
NAME	TITLE	SERVICE
<u>LINE/SECTION CPCPAC</u>		FACILITY

(10) APPROVALS IN ACCORDANCE WITH THE VHAPM, Volume 6, Chapter VI: OFOC SOP:

a. CONTRACTING OFFICER'S CERTIFICATION (required): I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.

NEFERTITI

MCDONALD 322962

Digitally signed by NEFERTITI MCDONALD 322962
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Reason: I have reviewed this document.
Date: 2015.03.27 16:20:30 -0400

3/25/2015

CONTRACTING OFFICER'S SIGNATURE

DATE

Nefertiti McDonald

NAME AND TITLE

Washington, DC

FACILITY

b. Director of Contracting/DESIGNEE: I certify that the foregoing justification is accurate and complete to the best of my knowledge and belief.


SIGNATURE

DATE

Apr 2015

Cindy Showers

Acting PCO E Director of Contracting